

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company  
(U 39-E) for Adoption of its 2006 Energy Resource  
Recovery Account (ERRA) Forecast Revenue  
Requirement and for Approval of Its 2006  
Ongoing Competition Transition Charge  
Revenue Requirement and Rates.

Application 05-06-007  
(Filed June 1, 2005)

**ADMINISTRATIVE LAW JUDGE'S RULING  
REGARDING MATTERS OUTSIDE THE  
SCOPE OF THIS PROCEEDING**

On August 23, 2005, Californians for Renewable Energy, Inc. (CARE) filed "comments" in which CARE requested that the following issues associated with the energy crisis of 2000 - 2001 be addressed in this proceeding:

- The disposition of refunds that Pacific Gas and Electric Company (PG&E) might receive from energy suppliers as a result of possible future actions by the Federal Energy Regulatory Commission (FERC).
- If the FERC-ordered refunds do not make ratepayers whole, whether the Commission and PG&E should "petition for a general amnesty from the...remaining federal income taxes and State franchise taxes owed on the...[Energy Recovery Bonds], plus the cost of issuing the second series of Bonds, less the pre-tax amount of any energy supplier refunds expected to be received after the first series of Bonds is issued..., and that any remaining refunds be issued directly to PG&E's retail ratepayers."
- Whether the benchmark price of electricity used to calculate the Competition Transition Charge in 2006 compensates ratepayers for the harm they suffered during the energy crisis of 2000 - 2001.
- Whether the price that PG&E received for power sales during January 2000 through May 1, 2000, was excessive.

- Whether ratepayers will benefit from PG&E's acquisition of a partially built gas-fired generator from Mirant pursuant to a settlement agreement that resolves litigation between PG&E and Mirant related to the 2000 - 2001 energy crisis. CARE states that to "the degree the assets transferred from Mirant to PG&E are subject to state and federal tax...and such asset transfer fails to hold harmless PG&E's retail ratepayers from the market's manipulation in 2000 and 2001 by Mirant...the [Commission] and PG&E [should] petition for a general amnesty from the sum of the estimated remaining federal income taxes and State franchise taxes owed."

On August 25, 2005, the Assigned Commissioner issued a ruling which determined that the following matters are outside the scope of this proceeding: (1) issues associated with the manipulation of energy markets and other abuses that occurred during the energy crisis of 2000 - 2001, and (2) refunds that PG&E has or will receive from power producers for price gouging connected with the energy crisis of 2000 - 2001. Based on the Assigned Commissioner's ruling, it appears that all of the issues raised in CARE's comments filed on August 23, 2005, are outside the scope of this proceeding.

**IT IS RULED** that:

1. Issues associated with the energy crisis of 2000 - 2001 are, as a general rule, outside the scope of this proceeding.
2. The issues raised in CARE's comments filed on August 23, 2005, are outside the scope of this proceeding.

Dated August 30, 2005, at San Francisco, California.

/s/ TIMOTHY KENNEY  
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Timothy Kenney  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding Matters Outside The Scope Of This Proceeding on all parties of record in this proceeding or their attorneys of record.

Dated August 30, 2005, at San Francisco, California.

/s/ ERLINDA PULMANO

Erlinda Pulmano

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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